

**CITY COUNCIL WORK SESSION
CITY OF WATERTOWN
October 24, 2011
7:22 P.M.**

MAYOR JEFFREY E. GRAHAM PRESIDING

PRESENT: COUNCIL MEMBER ROXANNE M. BURNS
 COUNCIL MEMBER JOSEPH M. BUTLER JR.
 COUNCIL MEMBER TERESA R. MACALUSO
 COUNCIL MEMBER JEFFREY M. SMITH
 MAYOR GRAHAM

ALSO PRESENT: MARY M. CORRIVEAU, CITY MANAGER

City staff present: Jim Mills, Ken Mix, Elliott Nelson, Kurt Hauk, Eugene Hayes

Discussion Items:

1. 2012 Community Development Block Grant Application

Kenneth Mix, Planning and Community Development Coordinator, reviewed the application process for the past years and stated that the 2011 projects have not been approved yet due to the Regional Economical Development Council issue.

Mayor Graham asked if any of the project ideas already discussed meet the criteria for this funding.

Phillip Smith, Avalon Associates, referred to the NYS Homes and Community Renewal Handout given to Council and reviewed the objectives of the Community Development Block Grant Program (CDBG). He stated that there are basic objectives applied by HUD which requires the elimination of slums and blight and projects must show that they benefit low to moderate income persons. He indicated that with a housing program, 100% of the funds must benefit low to moderate income people since the eligibility is based on that. However, if the purpose of the project is to benefit an area or community then census data or a local survey must show that at least 51% of the people being served are low to moderate level income.

Council Member Butler remarked that he supports rental rehab but stated that projects such as the recreation arena, repairing the city pools, cleaning up lots consisting of blight and neighborhood parks on vacant lots are important. He would like to know how Council could prove these projects will benefit 51% of low to moderate income.

Mr. Smith pointed out that Watertown's 2000 census data indicated that 50.5% of population were low to moderate income. He stated that historically it has to be 51% or above and unfortunately, 50.5% does not qualify. He stated this is a handicap that is shared by most communities in that the City cannot use the funds to benefit the City as a whole. He mentioned an option is to design the activities so that it benefits more low to moderate level income or do a survey to prove that the people using the facility is more than 51% even though the City as a whole is only 50.5% low to moderate income. He does not recommend this because it is very difficult to prove. He gave the example of a project such as the upgrade to a water and sewer distribution line which affects only the people on the street verses repairs to the main water filtration plant which affects the whole City. He listed this as a project that might be approved if the residents on the street were more than 51% of low to moderate income.

In response to Council Member Butler suggestion of the Merline Ave water and sewer project, Mr. Smith stated that the City would need to survey the neighborhood for income levels and the contractor would have to agree to rent or sell the houses to low or moderate income individuals. He added that the contractor would have to sign an agreement stating that he would meet this requirement of renting or selling the houses to low or moderate incomes families. He referred to the Franklin Building project as an example of this.

Council Member Smith confirmed that if the pool rehabilitation project was submitted, the City would have to do a survey to prove that more than 51% of the use of the pool was by low to moderate people.

Mr. Smith responded that the City would need to produce that survey and submit it to Albany. He noted that the City cannot restrict the use of the pool because it has to be available to the whole public and he does not recommend this because it would be difficult to prove.

Council Member Butler asked Mr. Smith to confirm that \$400,000 is available for Housing Rehabilitation, \$600,000 is available for Public Infrastructure and Economic Development funds is separate.

Mr. Smith stated that Economic Development has been treated as a separate activity for the last 10 years and is considered open run funding. He explained that an application could be submitted any time during the year in addition to submitting for the regular competitive round.

Therefore, the City could apply for both but the requests cannot exceed \$750,000 per calendar year.

Council Member Smith asked if in a street reconstruction project where the major of the parcels are business, the City could apply for funding for the water and sewer portion of the project as economic development.

Mr. Smith responded that this situation is possible but economic development is really the creation of new jobs. He mentioned that the City would need to prove that the existing jobs would have been lost if the project was not completed. He added that these existing jobs would need to be available to low to moderate income. He further explained that CDBG Program is a statewide competitive program so Council needs to pick a project that is competitive enough to win the funding. He clarified that CDBG is flexible in that the money is available and the applicant can choose to use the money for any type of project.

Council Member Butler mentioned the property on Court Street that the City took control of the Tax Certificate. He explained that it could be used as rental units as well as commercial space but the building needs a tremendous amount of work. He added that the Council is debating on whether to have it developed privately, using Neighbors of Watertown or under City ownership.

Mr. Smith stated that the City cannot do it and it needs to be done privately whether it is a private developer or Neighbors of Watertown. He noted that this project was a good example of a competitive project and fits the consolidated funding application process well because they are receptive to downtown projects that mix residential and commercial. He suggested they would consider mixing sources into that one project. In the end, he noted, the private developer would own the property with a lot of grant funding.

Mr. Mix added that the CDBG could only be part of the funding and this property would require more funding to develop. He indicated that other downtown buildings have been completed with multiple funding sources such as CDBG, HOME and Main Street.

Mr. Smith clarified the availability of funds as \$30,000 per unit from CDBG (part grant and part loan), \$30,000 from HOME (deferred payment loan) and as much \$150,000 from Main Street. He stated that the key to the process is finding an owner for the property that wants to develop it.

Mayor Graham asked for the timetable available to complete the application.

Mr. Smith responded that this year is different because the 2011 applications process has not been completed yet. He said that he does not know when the 2012 application deadline is but he

suggested that it might be sometime next spring. He advised Council to get contracts in place and start working on the application process now.

Mayor Graham asked how the City could find a developer quickly.

Mr. Smith stated that Neighbors of Watertown could be the easiest solution because they could be the interim developer until someone else owns it.

Council Member Butler inquired how much potential funding would be available for 6 units.

Mr. Smith stated that if the building needs to be gutted for all new apartments, the cost could be approximately \$600,000 so there would need to be an owner contribution of \$100,000. In response to Council Member Butler's inquiry about infrastructure funding, he said that any infrastructure that is required for that project could be part of it.

Mayor Graham asked how the City should choose a project because in the past home rehab has always been a safe choice.

Mrs. Corriveau stated that the work done downtown in the upper floor apartments has been CDBG funding in the last two years because Albany's focus has been development in the downtown area.

Mayor Graham asked if the property should be put up for auction with the commitment that the City will help with the CDBG application. He also questioned the timeframe of the application process.

Mr. Smith replied that CDBG, HOME and Main Street are available every year and the City should be submitting applications every year. He stated that if the project is in place for this year, it should be submitted but if not, the project could be postponed until next year. He reiterated that this year's deadline has not been identified yet. He suggested outlining the resources that are expected to be available, drawing up preliminary plans and inviting submission of proposals by developers. He agreed that it would be a RFP process and the City should select a preferred developer that is given the right to develop the property in a given amount of time subject to funding.

Mrs. Corriveau asked Council if it is important to have the property developed or to be paid for the property.

Mr. Smith pointed out that developers do not make money doing these projects and it cannot be done without a significant amount of grant funds and low interest loans. He advised that adding more cost to the developer makes it more difficult.

Mayor Graham inquired if the DOT warehouses on Van Duzee Street that are collapsing would qualify for this grant.

Mr. Mix replied that the funding would not benefit more than 51% of low to moderate income.

Mayor Graham referred to the Court Street property and asked if the RFP process could be done in the needed timeframe.

Mr. Smith recommended that there is enough time as long as the process moves along quickly but he suggested the City start drawing up preliminary plans in the meantime. He suggested an architect do the layout of the apartments because this affects the funding.

Mr. Mix informed Council that this type of Downtown project is popular with the funding agency but there is a risk that it will not come together in time for the deadline.

In response to Mayor Graham's inquiry, Mr. Smith stated that the RFP review committee should consist of City staff, himself and possibly Neighbors of Watertown as long as they are not an applicant. He advised Council to determine a period of time to keep the property off the market until the application process is completed and then if the application is not approved, the property could be sold.

Mayor Graham is concerned with the repairs needed to the building while it is off the market.

Council Member Smith asked if there would be a problem if the developer chosen through the RFP process wanted to do repairs to the building with their own money while pending the application approval.

Mr. Smith replied that the developer could not apply for financing for the money that was already spent and cannot be reimbursed.

Mayor Graham stated that the property should not be sold for a \$1 when Mr. Capone presented an offer to Council for a larger sum. He asked Mr. Mix if he had any other projects to recommend such as the Ogilvie site.

Mr. Mix replied that the infrastructure and housing would qualify if the housing went to low to moderate income families. He is not aware of any other streets containing low to moderate

income levels needing water or sewer updates and advised that the Merline Ave project would be difficult because it requires a commitment from the developer to sell or rent to low to moderate income.

In regards to the Court Street property, Mr. Smith summarized that Council could select a proposal, sell the property and then work with that developer on the application process or Council could select a proposal and not sell the property until funding is in place.

Mayor Graham preferred to see the property back on the tax roll under ownership of a developer and then the developer would be responsible for the interim maintenance.

Mr. Smith stated Mayor Graham's scenario would work.

Council agreed that the RFP process would be the best way to proceed

Council Member Butler asked if the building has a historical aspect.

Mr. Mix stated that there is historical value to the property.

Mr. Smith pointed out that there are tax credits available to historical projects.

2. Thompson Park Aviary Project

Mari L. Cecil, A.I.A., C.S.I., Vice President, Bernier Carr and Associates, P.C., presented Council with rough sketches of two new design options for the Aviary Project. She explained that Option 2 keeps the original A-frame design but the building is pierced with a new rectangular shape which would encase the new elements of the structure. With option 3, she explained that the existing Aviary would be demolished and a new building would recognize the A-frame shape in a tapered floor plan and exterior architecture design elements. She compared the total project costs of the original Option 1 to Option 2 and Option 3.

Council Member Smith asked for the Zoo Board's opinion on the general use and need for the building.

Richard Gefell, Zoo Board Representative responded there is a need during inclement summer months to get people under cover. He stated the project started with the idea of an open pavilion but it has evolved to what it is now. He does not envision more than 100 people using the facility.

Council Member Smith remarked that if the occupancy is less than 100 people, the code factors, such as the fire suppression system, will be affected.

Mrs. Cecil replied that the physical space would need to be reduced so that no more than 100 people could fit inside the building. She noted the size of the Aviary would need to be reduced from 2,162 sq ft to approximately 1,500 sq ft to come below the code threshold to minimize the sprinkler system. She explained that the building code is based on net square footage which means it is 50 sq ft per person when tables and chairs are used, 15 sq ft per person when loose chairs are used and 7 sq ft per person for standing room only. She further explained that the code requires the space be sized based on the occupancy classification and within this classification there are four different A occupancies for assembly. Under A3, the code requires the space be based on 7 sq ft per person which is standing room even though tables and chairs may be used on occasion.

Council Member Smith stressed if the need for the building is less than 100 people, the space should be sized for that reducing the need for some of the code requirements and therefore, eliminating those additional costs. He focused on the original design because the Council wanted to save the original A-frame concept. In addition, he inquired if a different material could be used in place of the Kalwal and if the mechanical system needed to utilize 100% of outside air.

Mrs. Cecil responded that any other material would not be translucent and the 2010 building code requires the use of outside air for assembly space.

Council Member Butler asked how much use the building would have during Mid October through Mid April.

John Wright, Executive Director of the Zoo replied that in the past, this period has been the zoo's slower time but he is planning on implementing changes using this facility that would help the zoo economically.

Council Member Butler pointed out the A-frame design is not very conducive and is an expensive retrofit for the use even though he wanted to preserve its historical aspect.

Mrs. Cecil agreed that it is not conducive to an assembly space due to the open air volume that is left. She explained that typically an assembly space is designed like Option 3 so that acoustically the sound is projected outward. She stated that the original task was to design a structure that enclosed the facility and the square footage that was enclosed generated the number of people for the occupancy.

Mayor Graham reviewed the history of this project in which the Aviary had fallen into disuse and citizens fundraised to reinvigorate it. He stated the Zoo Board sent a letter to the City Manager asking to demolish the building and then it was brought to Council's attention. Council does not want to tear this building down due to its historical value and wants to maintain a good relationship with the Zoo Board as well as support the Zoo's activities. He said the original estimates were higher than expected and he viewed the space to be used for classroom activities and medium size social events. It is his desire to preserve a bit of heritage as well as support the zoo.

Council Member Macaluso agreed that it was not expected to be this grand of a building but to be kept simple. She is in favor of maintaining the A-frame design but would like to scale it down.

Mr. Gefell mentioned that last spring the preliminary design totaled approximately \$350,000 and asked Council if they are gearing towards a certain dollar figure.

Mayor Graham stated he would be comfortable with \$500,000.

Kurt Hauk, City Engineer reminded Council that the biggest issue adding to the cost is weight and the original structure was never meant to be enclosed.

Mrs. Cecil indicated that a metal roofing material would be lighter but it would have to be insulated which would add to the weight. She also stated the material could be a mixture of translucent, transparent and opaque to balance the feeling of being outside while inside.

Council Member Burns stated Mrs. Cecil chose the Kalwal to allow the feeling of being outside while inside.

Benjamin Talbott, pointed out that by enclosing the structure, wind load now plays a factor on the weight so additional support is needed for the structure. He noted that there are associated costs to maintaining the existing structure design and feel. He stated the new options give tribute to the original design but at a lower cost.

Mr. Wright told Council the original goal was to have a medium size facility larger than the current educational room and would look for a larger space or use tents for larger activities.

Council Member Burns reiterated that Council's intent was not to build a facility to hold 250 people. She expected a building that would hold 80-100 people to give the zoo more options.

Council Member Smith stated there could be more savings if the outdoor plumbing areas were put inside and the mechanical area was put above the restrooms.

Mr. Gefell stated that he was comfortable with the original footprint.

Mrs. Corriveau stated that the building needed a new entrance because the current entrance will not work.

Mayor Graham asked why the new entrance on the original design was on the side and not at the end cap.

Mrs. Cecil responded that the sidewalls are needed for lateral bracing for the structure.

Council Member Smith stated that insulated glass could be used on the side walls and a less expensive material could be used above that to cut costs. He also suggested eliminating the need for a sprinkler system.

Mrs. Cecil stated the inside space could be reduced to approximately 500 sq ft to allow for 80 people and the toilet rooms could be brought into the Aviary space but she thought this might create an awkward space.

Mr. Tablot noted that the design has to be done by the most stringent code and in this case it is 7 sq ft per person.

Mrs. Cecil stated that the building code prescribes for this type of space, it has to be 7 sq ft per person and to stay in the 80 people range it must have clear floor area of approximately 560 sq ft. She further explained that areas that contain permanent furniture or displays cannot be included.

Mayor Graham pointed out that the Fire Department usually assigns the number of people allowed in an area and said it is the responsibility of the people managing the area not to go over the occupancy number.

Mrs. Cecil clarified that the 2,162 sq ft is calculated from outside foundation wall to outside foundation wall as it exists now but approximately 400 sq ft is lost to the unusable space due to the angled walls. She stated that there would be enough space to have 500 sq ft of free area and locate the toilet rooms inside the footprint. She said the mechanical rooms could go above the toilet rooms and she suggested decreasing the toilet rooms to one fixture per gender.

In response to Council Member Macaluso's question, Mrs. Cecil said the toilet rooms are handicap accessible.

Mr. Wright explained the need for a kitchen as a prep and setup area for Catering purposes.

Mrs. Cecil reviewed the kitchen consisted of countertop, sink and cabinets.

Council Member Burns reminded Council that there is a need for refreshments if the area is to be used for meetings.

Mayor Graham asked if any of the work could be done internally by City staff.

Mr. Hauk mentioned that it is important to finish the design process, get a final estimate and then see what the bids reflect. He said if the bids come in too high, then the City can look at ways to cut costs. He explained that the construction inspection cost is always estimated at 10% of the total costs just in case his staff is not able to handle it in-house.

Mrs. Corriveau explained the bond costs were included in the estimate in case a bond participation note is needed.

Council Member Smith noted that the estimate on renewal energy was higher than current rates.

Mrs. Cecil stated that the numbers are based on the City being a municipality and the requirement to pay municipal wage rate by NYS law and will be higher than the private market. She remarked that the geothermal estimates are higher because it was based on a larger facility and includes tying in other building at the zoo. She reminded Council that the estimates are conservative because it is still in the preliminary stages of the process.

Mr. Hauk asked if all alternatives are to be included in the design.

Council Member Smith stated that solar hot water makes sense for this building.

Mrs. Cecil stated that instantaneous hot water would be better.

Council Member Smith told Council to consider the offset in cost verses the savings.

Mr. Hauk reminded Council that geothermal is not as efficient if the space is not occupied all the time.

Council Member Macaluso stated she is not completely convinced that alternative energy is the way to go.

Council Member Butler would like to see the payback figures first before making a decision on alternative energy.

Mrs. Cecil recommended the photovoltaic array would be a better option to pursue more than the geothermal. She also stated some of the solar would be part of the structure.

Mayor Graham would like to know the numbers on alternative energy for the downsided plans.

Mr. Hauk summarized that Council wants to stay with Option 1 but bring everything inside the perimeter. He will continue to work on preliminary designs and report back to Council.

3. Requests to lease Baseball Field for upcoming season

Mayor Graham summarized the memo submitted by Mrs. Corriveau to Council and stated that a decision cannot be determined until the new Park and Recreation staff is in place.

Council Member Butler asked for the identity of the interested parties.

Mrs. Corriveau stated that the Wizards sent a letter and the other individual asked to remain anonymous.

Mayor Graham stated that one of the news media released the name as Mr. Alexander and he spoke with him today. He stated that he cannot discuss the details of this conversation in all fairness to Mr. Alexander but encouraged members of Council to contact him. He added that there is to be a press conference tomorrow in regards to the sale of the Wizards.

Council Member Burns agrees with Mrs. Corriveau that the City is in no position to enter into negotiations until the new positions are filled and there is an established policy on the sale of alcohol. She asked for a status update on the anticipated date the positions would be filled.

Mrs. Corriveau replied that reference checks are in process and no offers have been made at this time. She said the individuals are aware the references checks are being done. She hopes to discuss salary proposals with Council shortly. She is trying to move the process along as quickly as possible and commended the individuals on the interview teams.

Mayor Graham pointed out that a franchise needs to be in place as well as an agreement to use the facility. He does not see a pressing need to make a decision until there is more definite structure in the department.

Mrs. Corriveau informed Council that Mr. Slye and she submitted a list of questions along with a copy of the minutes from the meeting to Mr. Casile and they have been going over answers to some of those questions. She stated that Mr. Casile still has to do some more research but will be assisting with the drafting of a proposed policy for Council's review. She did have a conversation with Sebby Abbate in regards to the 2012 season. She told him that the City cannot currently enter into negotiations but he was advised to pencil in dates for concerts because the City is still in business. She will be informing the DPAO the same information. She stated that the City is still booking events but the contract needs to be rewritten. In addition, she noted that the handling of alcohol needs to be determined and put into the contract.

Council Member Smith wanted to make sure the process of booking events was not hindered by this.

Mrs. Corriveau ensured him that the City is still booking the events on the calendar.

Mayor Graham supported Mrs. Corriveau and thought the process was moving quickly. He noted that the City needs a methodology for selling alcohol that is consistent with state law. He advised that the reorganization needs to be in place.

Mrs. Corriveau advised Mr. Abbate that the City hopes to have everything in place by the end of the year and Mr. Abbate stated that this timeframe was not an impediment to anything they were planning. She told Mr. Abbate to contact the Parks and Recreation Department to schedule dates but that a contract would not be sent to them at this time.

Work Session ended at 9:35 pm

Ann Saunders

Deputy City Clerk